

INTRODUCTION: Public Debt Operations

Chapter 31 of Title 31 of the United States Code allows the Secretary of Treasury to borrow money by issuing Treasury securities. The Secretary determines the terms and conditions of issue, conversion, maturity, payment and interest rate. New issues of Treasury notes mature in 2 to 10 years. Bonds mature in more than 10 years from the issue date. Each marketable security is listed in the "Monthly Statement of the Public Debt of the United States." The information in this section of the "Treasury Bulletin" pertains only to marketable Treasury securities, current bills, notes and bonds.

- Table **PDO-1** provides a maturity schedule of interest-bearing marketable public debt securities other than regular weekly and 52-week bills. All unmatured Treasury notes and bonds are listed in maturity order, from earliest to latest. A separate breakout is provided for the combined holdings of the Government accounts and Federal Reserve Banks (FRBs), so that the "all other investors" category includes all private holdings.

- Table **PDO-2** presents the results of weekly auctions of 13- and 26-week bills, as well as auctions of 52-week bills.

Treasury bills mature each Thursday. New issues of 13-week bills are *reopening* of 26-week bills. New issues of *cash management bills* also are presented. High yields on accepted tenders and the dollar value of total bids are presented, with the dollar value of awards made both on a competitive and non-competitive basis.

Treasury accepts noncompetitive tenders of up to \$1 million for bills and \$5 million for notes and bonds in each auction of securities to encourage participation of individuals and smaller institutions.

- Table **PDO-3** lists the results of auctions of marketable securities, other than weekly bills, in chronological order over the past 2 years. Included are: notes and bonds from table PDO-1, 52-week bills from table PDO-2, and data for cash management bills.

- Table **PDO-4** indicates the total amount of marketable securities allotted to each class of investor. The FRBs tally into investor classes the tenders in each auction of marketable securities other than weekly auctions of 13- and 26-week bills.

TREASURY FINANCING: JANUARY-MARCH

[Source: Bureau of the Public Debt, Office of Financing]

On February 2, 2000, Treasury announced it will issue 52-week bills only four times each year (effective after the bill issued on March 2, 2000) and only one 30-year inflation-indexed bond each year (in October).

JANUARY

Auction of 10-Year Inflation-Indexed Notes

On January 5, 2000, Treasury announced it would auction \$6,000 million of 10-year inflation-indexed notes to raise cash. The notes of Series A-2010 were dated January 15, 2000, and issued January 18, 2000. They are due January 15, 2010, with interest payable on July 15 and January 15 until maturity.

Treasury received tenders for the notes before 12 noon eastern standard time (e.s.t.) for noncompetitive tenders and before 1 p.m. e.s.t. for competitive tenders on January 12. Tenders totaled \$18,425 million; Treasury accepted \$6,001 million. All noncompetitive and successful competitive bidders were allotted securities at the high yield of 4.333 percent with an equivalent adjusted price of 99.298. Tenders at the high yield were allotted 30 percent. Treasury accepted in full all competitive tenders at yields lower than 4.333 percent. The median yield was 4.300 percent, and the low yield was 4.200

percent. Noncompetitive tenders totaled \$82 million. Competitive tenders accepted from private investors totaled \$5,919 million.

In addition to the \$6,001 million of tenders accepted in the auction process, Treasury accepted \$316 million from Federal Reserve Banks (FRBs) for their own accounts. The minimum par amount required for STRIPS of inflation-indexed notes is \$1,000.

Treasury Calls 8-1/4 Per cent Bonds of 2000-05

On January 14, 2000, Treasury announced the call for redemption at par on May 15, 2000, of the 8-1/4 percent Treasury bonds of 2000-05, dated May 15, 1975. They are due May 15, 2005. There were \$4,224 million of these bonds outstanding, of which \$2,047 million were held by private investors.

Auction of 2-Year Note

On January 19, Treasury announced it would auction \$14,000 million of 2-year notes. The issue was to refund \$25,686 million of securities maturing January 31 and to pay down about \$11,686 million.

The notes of Series R-2002 were dated January 31, 2000. They are due January 31, 2002, with interest payable on July 31 and January 31 until maturity. Treasury set an interest rate of 6-3/8 percent after determining which tenders were accepted on a yield auction basis.

TREASURY FINANCING: JANUARY-MARCH, con.

Treasury received tenders for the notes before 12 noon e.s.t. for noncompetitive tenders and before 1 p.m. e.s.t. for competitive tenders on January 26. Tenders totaled \$28,386 million; Treasury accepted \$14,002 million. All noncompetitive and successful competitive bidders were allotted securities at the high yield of 6.434 percent with an equivalent price of 99.891. Tenders at the high yield were allotted 28 percent. Treasury accepted in full all competitive tenders at yields lower than 6.434 percent. The median yield was 6.417 percent, and the low yield was 6.350 percent. Noncompetitive tenders totaled \$1,600 million. Competitive tenders accepted from private investors totaled \$12,403 million.

In addition to the \$14,002 million of tenders accepted in the auction process, Treasury accepted \$1,300 million from FRBs as agents for foreign and international monetary authorities. It also accepted \$4,045 million from FRBs for their own accounts. The minimum par amount required for STRIPS of notes of Series R-2002 is \$1,600,000.

52-Week Bills

On December 30, 1999, Treasury invited tenders for approximately \$10,000 million of 364-day Treasury bills. The bills were dated January 6, 2000, and will mature January 4, 2001. The issue was to refund \$27,545 million of all maturing bills and to pay down about \$2,545 million. Treasury auctioned the bills on January 4. Tenders totaled \$25,566 million; Treasury accepted \$10,016 million. That included \$918 million of noncompetitive tenders from the public and \$1,390 million of the bills is sold to FRBs as agents for foreign and international monetary authorities. In addition, Treasury is sold \$4,925 million of the bills to FRBs for their own accounts. The high bank discount rate was 5.645 percent.

FEBRUARY

February Quarterly Financing

On February 2, Treasury announced it would auction: \$12,000 million of 4-3/4-year 5-7/8 percent notes; \$10,000 million of 10-year notes; and \$10,000 million of 30-1/4-year bonds to refund \$27,624 million of Treasury securities maturing February 15 and to raise about \$4,376 million of new cash.

The 4-3/4-year 5-7/8 percent notes of Series H-2004 were dated November 15, 1999, and issued February 15, 2000. They are due November 15, 2004, with interest payable on May 15 and November 15 until maturity. Accrued interest of \$14.84890 per \$1,000, covering the period from November 15, 1999, to February 15, 2000, was payable with each accepted tender.

Treasury received tenders for the notes before 12 noon e.s.t. for noncompetitive tenders and before 1 p.m. e.s.t. for competitive tenders on February 8. Tenders totaled \$22,822 million; Treasury accepted \$12,000 million. All noncompetitive and successful competitive bidders were allotted securities at the high yield of 6.741 percent with an equivalent price of 96.505. Tenders at the high yield were allotted 98 percent. Treasury accepted in full all competitive tenders at yields lower than 6.741. The median yield was 6.710 percent, and the low yield

was 6.650 percent. Noncompetitive tenders totaled \$608 million. Competitive tenders accepted from private investors totaled \$11,392 million.

In addition to the \$12,000 million of tenders accepted in the auction process, Treasury accepted \$1,100 million from FRBs as agents for foreign and international monetary authorities. It also accepted \$1,130 million from FRBs for their own accounts. The minimum par amount required for STRIPS of notes of Series H-2004 is \$1,600,000.

The notes of Series B-2010 were dated February 15, 2000. They are due February 15, 2010, with interest payable on August 15 and February 15 until maturity. Treasury set an interest rate of 6-1/2 percent after determining which tenders were accepted on a yield auction basis.

Treasury received tenders for the notes before 12 noon e.s.t. for noncompetitive tenders and before 1 p.m. e.s.t. for competitive tenders on February 9. Tenders totaled \$14,512 million; Treasury accepted \$10,000 million. All noncompetitive and successful competitive bidders were allotted securities at the high yield of 6.540 percent with an equivalent price of 99.710. Tenders at the high yield were allotted 49 percent. Treasury accepted in full all competitive tenders at yields lower than 6.540 percent. The median yield was 6.465 percent, and the low yield was 6.390 percent. Noncompetitive tenders totaled \$177 million. Competitive tenders accepted from private investors totaled \$9,823 million.

In addition to the \$10,000 million of tenders accepted in the auction process, Treasury accepted \$1,100 million from FRBs as agents for foreign and international monetary authorities. It also accepted \$1,170 million from FRBs for their own accounts. The minimum par amount required for STRIPS of notes of Series B-2010 is \$400,000.

The bonds of May 2030 were dated November 15, 1999, and issued February 15, 2000. They are due May 15, 2030, with interest payable on May 15 and November 15 until maturity. Treasury set an interest rate of 6-1/4 percent after determining which tenders were accepted on a yield auction basis. Accrued interest of \$15.79670 per \$1,000, covering the period from November 15, 1999, to February 15, 2000, was payable with each accepted tender.

Treasury received tenders for the bonds before 12 noon e.s.t. for noncompetitive tenders and before 1 p.m. e.s.t. for competitive tenders on February 10. Tenders totaled \$13,257 million; Treasury accepted \$10,001 million. All noncompetitive and successful competitive bidders were allotted securities at the high yield of 6.340 percent with an equivalent price of 98.771. Tenders at the high yield were allotted 51 percent. Treasury accepted in full all competitive tenders at yields lower than 6.340 percent. The median yield was 6.207 percent, and the low yield was 6.100 percent. Noncompetitive tenders totaled \$34 million. Competitive tenders accepted from private investors totaled \$9,968 million.

In addition to the \$10,001 million of tenders accepted in the auction process, Treasury accepted \$100 million from FRBs as agents for foreign and international monetary authorities. It also accepted \$1,170 million from FRBs for their own ac-

TREASURY FINANCING: JANUARY-MARCH, con.

counts. The minimum par amount required for STRIPS of bonds of May 2030 is \$32,000.

Auction of 2-Year Notes

On February 16, Treasury announced it would auction \$12,000 million of 2-year notes. This issue was to refund \$27,053 million of securities maturing February 29 and to pay down about \$15,053 million.

The notes of Series S-2002 were dated February 29, 2000. They are due February 28, 2002, with interest payable on August 31 and February 28 until maturity. Treasury set an interest rate of 6-1/2 percent after determining which tenders were accepted on a yield auction basis.

Treasury received tenders for the notes before 12 noon e.s.t. for noncompetitive tenders and before 1 p.m. e.s.t. for competitive tenders on February 23. Tenders totaled \$31,974 million; Treasury accepted \$12,009 million. All noncompetitive and successful competitive bidders were allotted securities at the high yield of 6.590 percent with an equivalent price of 99.834. Tenders at the high yield were allotted 18 percent. Treasury accepted in full all competitive tenders at yields lower than 6.590 percent. The median yield was 6.570 percent, and the low yield was 6.520 percent. Noncompetitive tenders totaled \$1,509 million. Competitive tenders accepted from private investors totaled \$10,500 million.

In addition to the \$12,009 million of tenders accepted in the auction process, Treasury accepted \$1,300 million from FRBs as agents for foreign and international monetary authorities. It also accepted \$3,219 million from FRBs for their own accounts. The minimum par amount required for STRIPS of notes of Series S-2002 is \$400,000 million.

52-Week Bills

On January 27, Treasury invited tenders for approximately \$10,000 million of 364-day Treasury bills. The bills were dated February 3, 2000, and will mature February 1, 2001. The issue was to refund \$28,483 million of all maturing bills and to pay down about \$4,483 million. Treasury auctioned the bills on February 1. Tenders totaled \$23,844 million; Treasury accepted \$10,000 million. That included \$1,087 million of noncompetitive tenders from the public and \$1,483 million is sued to FRBs as agents for foreign and international monetary authorities. Treasury is sued an additional \$804 million to FRBs as agents for foreign and international monetary authorities for new cash. In addition, Treasury is sued \$5,420 million to FRBs for their own accounts. The high bank discount rate was 5.905 percent.

Cash Management Bills

On February 15, Treasury invited tenders for approximately \$30,000 million of 69-day bills. The bills were issued February 18, 2000, representing an additional amount of bills dated April 29, 1999, maturing April 27, 2000. The issue was to raise new cash. Tenders were opened on February 17. They totaled

\$56,198 million; Treasury accepted \$30,006 million. The high bank discount rate was 5.70 percent.

MARCH

Auction of 2-Year Notes

On March 22, Treasury announced it would auction \$12,000 million of 2-year notes. The issue was to refund \$26,879 million of securities maturing March 31 and to pay down about \$14,879 million.

The notes of Series T-2002 were dated March 31, 2000. They are due March 31, 2002, with interest payable on September 30 and March 31 until maturity. Treasury set an interest rate of 6-1/2 percent after determining which tenders were accepted on a yield auction basis.

Treasury received tenders for the notes before 12 noon e.s.t. for noncompetitive tenders and before 1 p.m. e.s.t. for competitive tenders on March 29. Tenders totaled \$30,835 million; Treasury accepted \$12,005 million. All noncompetitive and successful competitive bidders were allotted securities at the high yield of 6.580 percent with an equivalent price of 99.852. Tenders at the high yield were allotted 33 percent. Treasury accepted in full all competitive tenders at yields lower than 6.580 percent. The median yield was 6.550 percent, and the low yield was 6.480 percent. Noncompetitive tenders totaled \$1,917 million. Competitive tenders accepted from private investors totaled \$10,088 million.

In addition to the \$12,005 million of tenders accepted in the auction process, Treasury accepted \$1,700 million from FRBs as agents for foreign and international monetary authorities. It also accepted \$3,515 million from FRBs for their own accounts. The minimum par amount required for STRIPS of notes of Series T-2002 is \$400,000.

52-Week Bills

On February 24, Treasury invited tenders for approximately \$10,000 million of 364-day Treasury bills. The bills were dated March 2, 2000, and will mature March 1, 2001. The issue was to refund \$27,298 million of all maturing bills and to pay down about \$298 million. Treasury auctioned the bills on February 29. Tenders totaled \$24,200 million; Treasury accepted \$10,015 million. That included \$1,083 million of noncompetitive tenders from the public and \$1,612 million is sued to FRBs as agents for foreign and international monetary authorities. Treasury is sued an additional \$792 million to FRBs as agents for foreign and international monetary authorities for new cash. In addition, Treasury is sued \$4,805 million to FRBs for their own accounts. The high bank discount rate was 5.840 percent.

Cash Management Bills

On February 29, Treasury invited tenders for approximately \$25,000 million of 13-day bills. The bills were issued March 3, 2000, representing an additional amount of bills dated September 16, 1999. They matured March 16, 2000. The issue was to raise new cash. Tenders were opened on March 2. They totaled \$73,094 million; Treasury accepted \$25,014 million. The high bank discount rate was 5.67 percent.

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On March 23, Treasury invited tenders for approximately \$35,000 million of 21-day bills. The bills were issued March 30, 2000, representing an additional amount of bills dated October 21, 1999, maturing April 20, 2000. The issue was to raise new cash. Tenders were opened on March 28. They totaled \$54,001 million; Treasury accepted \$35,003 million. The high bank discount rate was 5.99 per cent.

In the same announcement on March 23, Treasury invited tenders for approximately \$30,000 million of 19-day bills. They were dated March 30, 2000, and matured April 18, 2000. The issue was to raise new cash. Tenders were opened on March 29. They totaled \$57,225 million; Treasury accepted \$30,071 million. The high bank discount rate was 6.00 per cent.